

North Dakota

FARM REPORTER

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PROSPECTIVE PLANTINGS

North Dakota Producers intend to plant 6.30 million acres of other spring wheat in 2004, down from 6.50 million acres planted in 2003. The previous low was 5.90 million acres planted in 1999. Area planted to durum wheat is expected to total 1.90 million acres, down from 2.00 million acres last year and the lowest since 1970 when 1.89 million acres were planted. Barley producers intend to plant 1.80 million acres, down from 2.05 million acres in 2003.

All corn planting intentions are 1.60 million acres, up from 1.45 million last year. Soybean growers intend to plant 3.70 million acres, up from 3.15 million acres in 2003 and a

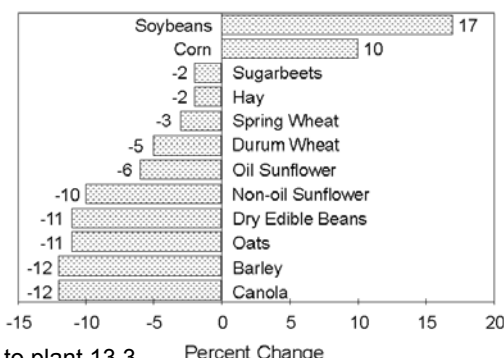
new record high, if realized. Dry edible bean acreage intentions are 480,000 acres, down from 540,000 acres planted in 2003. Canola planting intentions are 850,000 acres, down from 970,000 acres last year. Oil sunflower planting intentions are 1.00 million acres, down from 1.06 million acres in 2003. Non-oil sunflower planting intentions are 120,000 acres, down 30,000 acres from last year. Sugarbeet growers expect to plant 255,000 acres in 2004, down from 259,000 acres last year and the lowest since 1999 when 251,600 acres were planted.

United States

Other spring wheat growers intend to plant 13.3 million acres this year, down 4 percent from 2003. Of the total, about 12.7 million acres are hard red spring wheat. Area seeded to durum wheat is expected to total 2.76 million acres, down 5 percent from 2003. Barley growers intend to plant 4.68 million acres for 2004, down 12 percent from last year.

Growers intend to plant 79.0 million acres of corn for all purposes in 2004, up fractionally from both 2002 and 2003. Soybean growers intend to plant an estimated 75.4 million acres, up 3 percent from last year. If realized, this will be the largest planted area on record and a rebound from the three year decline in acreage. Dry bean intentions totaled 1.33 million acres, down 5 percent from last year and 31 percent below two years ago. Area intended for oil type sunflower varieties, at 1.80 million acres, is down 10 percent from 2003, and the non-oil sunflower varieties, estimated at 291,000 acres, are down 16 percent from last year. Area planted to sugarbeets for the 2004 crop year is expected to total 1.36 million acres, slightly below the 2003 planted acreage. The four largest-producing sugarbeet States all expect acreage decreases from last year.

2004 March Prospective Plantings
Percent Change from 2003 Planted Acres
North Dakota



PROSPECTIVE PLANTINGS, MARCH 1, 2004

Crop	NORTH DAKOTA				UNITED STATES			
	Area Planted			2004 as % 2003	Area Planted			2004 as % 2003
	2002	2003	Indicated 2004		2002	2003	Indicated 2004	
	--- 1,000 Acres ---			Pct	--- 1,000 Acres ---			Pct
Corn, All	1,230	1,450	1,600	110	78,894	78,736	79,004	100
Wheat, All	9,080	8,630	8,440	98	60,318	61,700	59,462	96
Durum	2,100	2,000	1,900	95	2,913	2,915	2,757	95
Other Spring	6,900	6,500	6,300	97	15,639	13,840	13,333	96
Winter	80	130	240	185	41,766	44,945	43,372	97
Oats, Planted	670	620	550	89	4,995	4,601	4,312	94
Harvest for Grain	300	360	300	83	2,058	2,224	2,067	93
Barley	1,600	2,050	1,800	88	5,008	5,299	4,683	88
Sunflower, All	1,370	1,210	1,120	93	2,581	2,344	2,086	89
Oil	1,150	1,060	1,000	94	2,126	1,998	1,795	90
Non-Oil	220	150	120	80	455	346	291	84
Sugarbeets	265.0	259.0	255.0	98	1,427.3	1,365.4	1,358.6	100
Soybeans	2,670	3,150	3,700	117	73,963	73,404	75,411	103
Dry Edible Beans	790.0	540.0	480.0	89	1,929.7	1,406.1	1,330.0	95
Canola	1,300	970	850	88	1,460	1,082	965	89
All Hay ^{1/}	3,300	2,950	2,900	98	63,942	63,342	63,731	101

^{1/} Acreage for harvest.

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AGRICULTURAL PRICES

INDEX NUMBERS OF FARM PRICES, March 2004

Indexes and Ratios	NORTH DAKOTA			UNITED STATES		
	Mar 2003	Feb 2004	Mar 2004	Mar 2003	Feb 2004	Mar 2004
	(1990-92 = 100)					
PRICES RECEIVED						
ALL FARM PRODUCTS	107	115	118	99	116	122
CROPS	110	118	121	106	120	124
Food Grains	118	122	120	102	122	121
Feed Grains & Hay	119	116	116	106	113	119
Oil Bearing Crops ¹	108	134	150	101	147	169
Potatoes & Dry Beans ²	90	92	89	110	100	107
LIVESTOCK	96	107	108	93	112	120
Meat Animals	95	110	110	93	104	111
Dairy Products	103	102	103	84	104	113
Other Livestock Products ³	93	92	93	103	139	147
PRICES PAID				128	130	131
RATIO ⁴				77	89	93

¹ Includes non-oil sunflower. ² North Dakota includes sugarbeets. ³ United States excludes wool. ⁴ Ratio of Index of Prices Received to Index of Prices Paid.

North Dakota

The Index of Prices Received for All Farm Products in March is 118 percent of the 1990-1992 base. This is up 10 percent from last year and 27 percent above two years ago. The All Crops Index, at 121 percent of the base, is up 10 percent from March 2003, and the All Livestock Index, at 108 percent, is up 13 percent from last year.

United States

The March All Farm Products Index is 122 percent of its 1990-92 base, up 5 percent from the revised February index and 23 percent above the March 2003 index. This is the highest index level on record. The All Crops Index is 124, up 3 percent from February and 17 percent above March 2003. The Livestock and Products Index, at 120, is up 7 percent from last month and up 29 percent from March 2003.

PRICES RECEIVED BY FARMERS, March 2004

Commodity	Unit	NORTH DAKOTA			UNITED STATES			Effective U.S. Parity Price Mar 2004
		Entire Month		Preliminary	Entire Month		Preliminary	
		Mar 2003	Feb 2004	Mar 2004	Mar 2003	Feb 2004	Mar 2004	
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Wheat, All	Bu	3.70	3.83	3.76	3.55	3.77	3.71	9.84
Durum	Bu	4.01	4.09	4.15	4.14	4.08	4.15	
Other Spring	Bu	3.57	3.79	3.70	3.72	3.83	3.81	
Winter	Bu	3.56			3.30	3.68	3.61	
Corn	Bu	2.15	2.51	2.60	2.33	2.61	2.79	6.61
Rye	Bu	2.47	2.15					6.16
Oats	Bu	1.75	1.21	1.25	2.08	1.58	1.55	3.85
Barley, All	Bu	2.81	2.57	2.56	2.83	2.72	2.71	6.56
Feed	Bu	2.13	1.91	1.85	2.30	2.16	2.14	
Malting	Bu	3.05	2.75	2.80	3.07	2.95	2.97	
Sunflower, All	Cwt	12.50	12.80	13.00	12.50	12.80	12.90	
Oil	Cwt	12.20	12.00	12.20				
Non-oil	Cwt	13.70	15.60	15.40				
Baled Hay, All ¹	Ton	67.00	54.00	53.00	92.80	79.90	81.80	
Alfalfa ¹	Ton	74.00	59.00	58.00	96.70	84.70	85.90	
Other ¹	Ton	52.00	43.00	40.00	77.90	69.90	70.90	
Canola ²	Cwt		11.80					
Flaxseed	Bu	6.47	6.40	6.50	6.47	6.40	6.50	12.70
Soybeans	Bu	5.44	7.75	9.05	5.59	8.28	9.56	15.60
Dry Edible Beans, All	Cwt	12.50	15.70	15.90	15.90	17.50	19.00	50.90
Navy	Cwt	12.30	15.90					
Pinto	Cwt	12.30	15.60					
Potatoes, All	Cwt	5.95	5.60	5.55	6.87	5.93	6.30	14.90
Fresh ³	Cwt	7.05	5.15		8.83	6.47		
Processing	Cwt	5.00	5.65		5.29	5.49		
Beef Cattle	Cwt	73.60	84.40	85.90	72.60	78.50	84.00	167.00
Steers & Heifers	Cwt	77.70	88.40	90.00	76.70	82.30	88.60	
Cows	Cwt	40.20	48.20	49.00	39.50	46.10	46.70	
Calves	Cwt	91.70	104.00	105.00	96.70	111.00	114.00	223.00
Sheep	Cwt	30.00	40.00		40.90	41.20		82.00
Lambs	Cwt	91.00	104.00		97.10	107.00		197.00
Hogs	Cwt	37.50	45.80		34.70	42.60	45.10	103.00

¹ Alfalfa, other and all hay are preliminary prices only. ² Monthly price added July 2003. ³ Fresh market prices only, includes table stock.

GRAIN STOCKS

North Dakota

All wheat stored in all positions in North Dakota on March 1, 2004 totaled 150.6 million bushels. This is an 11 percent increase from a year ago. All wheat stocks include durum, other spring and winter wheat. On-farm stocks are estimated at 90.0 million bushels, up 5 percent from last year. Durum wheat stocks in all positions totaled 25.4 million bushels. This is down 26 percent from a year ago and the lowest level since records began in 1975. On-farm stocks, at 19.0 million bushels, are down 24 percent from March 1, 2003.

Barley stocks in all positions totaled 46.4 million bushels, up 76 percent from a year ago. On-farm stocks are 25.0 million bushels, up 150 percent from last year's record low level. Corn stocks in all positions totaled 55.5 million bushels, compared to 55.3 million bushels on March 1, 2003. Of the total stocks, 35.0 million bushels are stored on farms, the same as last year. Soybean stocks in all positions totaled

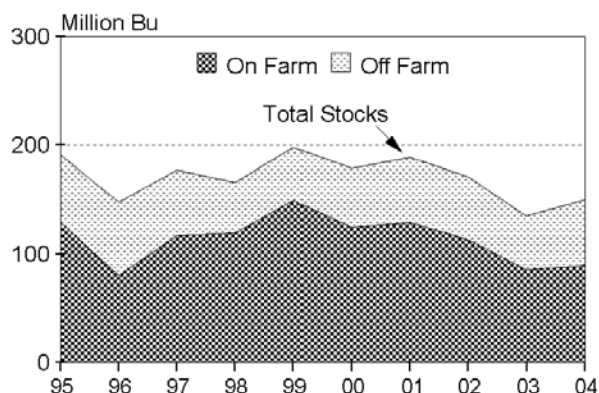
14.9 million bushels, down 40 percent from a year ago. On-farm stocks totaled 5.20 million bushels on March 1, 2004, compared to 15.5 million bushels on March 1, 2003.

United States

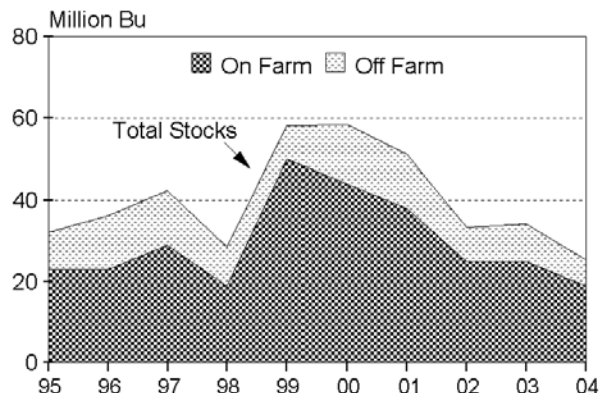
All wheat stored in all positions on March 1, 2004 totaled 1.02 billion bushels, up 12 percent from a year ago. Durum wheat stocks in all positions on March 1, 2004 totaled 44.0 million bushels, down 23 percent from a year ago.

Barley stocks in all positions on March 1, 2004 totaled 151 million bushels, up 23 percent from March 1, 2003. Corn stocks in all positions on March 1, 2004 totaled 5.27 billion bushels, up 3 percent from March 1, 2003. Soybeans stored in all positions on March 1, 2004 totaled 906 million bushels, down 25 percent from March 1, 2003. This is the lowest March 1 stocks level since 1989.

All Wheat Stocks
North Dakota, March 1, 1995-2004



Durum Wheat Stocks
North Dakota, March 1, 1995-2004



GRAIN STOCKS, March 1, 2004

Crop	Date	NORTH DAKOTA			UNITED STATES		
		On Farm	Off Farm ^{1/}	Total All Positions	On Farm	Off Farm ^{1/}	Total All Positions
Wheat, All ^{2/}		--- 1,000 Bushels ---			--- 1,000 Bushels ---		
	Mar 1, 2003	86,000	50,000	136,000	236,300	670,333	906,633
	Dec 1, 2003	165,000	65,000	230,000	491,925	1,028,359	1,520,284
	Mar 1, 2004	90,000	60,600	150,600	257,890	761,141	1,019,031
Durum Wheat	Mar 1, 2003	25,000	9,500	34,500	31,700	25,149	56,849
	Dec 1, 2003	31,000	8,200	39,200	41,400	25,569	66,969
	Mar 1, 2004	19,000	6,400	25,400	24,800	19,247	44,047
Barley	Mar 1, 2003	10,000	16,300	26,300	36,730	86,710	123,440
	Dec 1, 2003	48,000	21,400	69,400	97,200	100,679	197,879
	Mar 1, 2004	25,000	21,400	46,400	51,700	99,784	151,484
Oats	Mar 1, 2003	4,700	1,020	5,720	35,000	47,879	82,879
	Dec 1, 2003	13,000	1,200	14,200	64,400	54,900	119,300
	Mar 1, 2004	7,600	1,250	8,850	45,600	49,469	95,069
Corn	Mar 1, 2003	35,000	20,300	55,300	2,940,000	2,191,873	5,131,873
	Dec 1, 2003	83,000	22,700	105,700	5,286,000	2,667,775	7,953,775
	Mar 1, 2004	35,000	20,500	55,500	3,030,000	2,240,641	5,270,641
Soybeans	Mar 1, 2003	15,500	9,300	24,800	636,500	565,528	1,202,028
	Dec 1, 2003	19,000	22,700	41,700	820,000	868,653	1,688,653
	Mar 1, 2004	5,200	9,700	14,900	355,900	549,623	905,523

^{1/} Includes stocks at mills, elevators, warehouses, terminals and processors. ^{2/} Includes durum, other spring and winter.

LONG AWAITED USDA REPORTS RELEASED

by George Flaskerud

Extension Crops Economist

The planting intentions and stocks reports released by USDA on March 31 were regarded by the trade as overall positive for corn prices, neutral to positive for wheat and negative for soybeans. Acres and stocks were below trade expectations for corn but above for soybeans. Spring wheat and especially durum acres were below expectations. All wheat stocks were also below trade expectations.

What does this mean for prices? Keep in mind that recent highs in May future were up over a year ago by \$4.85 for soybeans, \$.90 for corn and \$.89 for wheat in Minneapolis. New crop soybeans prices are subject to the greatest risk from a fundamental point of view followed by wheat and then corn. November soybeans could be under \$6.00 at harvest with average or better yields.

So what should be done so far as pricing the 2004 crop is concerned? These are the highest prices seen in years and substantial profits are within reach.

Unless everything is gambled on a weather rally developing this summer, consider taking advantage of a price recovery in wheat and soybeans to get up to at least two-thirds sold of anticipated production. Consider selling even a higher percentage of soybeans.

Corn prices have fundamental and technical reasons to move higher. At this point, December futures have fundamental support at prices close to \$3.00 although above average yields could push prices below that at harvest. On the upside, \$3.60 December futures is a possibility. Consider scaling-up sales so that a high percentage of the crop is sold if \$3.60 is reached.

Use futures fixed elevator contracts to sell the 2004 crop up to the level of production covered by crop revenue insurance. Beyond that level, the use of put options would be preferred since production risk is a concern as well as price risk.

Occasional adjustments to marketing plans will be necessary this year since stocks of all crops are so tight. Planting intentions and stocks are just two of the many reports that will be crucial to prices.

U.S. farmers intend to plant a lot more soybeans (2.7 percent) than a year ago and a little more corn (.3 percent) but less of everything else. North Dakota producers intend to increase planted acres of soybeans by 17 percent and corn by 10 percent.

Spring wheat intentions were down about 4 percent nationally and about 3 percent in North Dakota. For durum, intentions were down about 5 percent at both the U.S. level and in North Dakota.

Approximate decreases for the other crops relative to a year ago at the U.S. level were 12 percent for barley, 5 percent for dry edible beans, 11 percent for canola, 7 percent for harvested oats, 10 percent for oil sunflowers, and 16 percent for non-oil sunflowers.

Soybean stocks were above trade expectations by almost 5 percent while wheat stocks were below by almost 2 percent. Corn stocks were below expectations by only .1 percent.

Now that these reports are behind us, the trade will focus on other factors. The strong demand versus limited stocks situation for soybeans still needs to be resolved. Export commitments for soybeans were 96 percent of projected exports as of March 18 versus the five-year average of 85 percent. How this situation is resolved depends considerably on the final outcome of the Brazil soybean crop.

Weather is presently critical for development of the winter wheat crop. The percentage of the hard red winter wheat crop that was rated good to excellent as of March 28 was 35 percent in Nebraska, 16 percent in Colorado, 37 percent in Kansas, 58 percent in Oklahoma and 30 percent in Texas. Compared to a year ago, the good/excellent ratings were 4 points higher in Nebraska but lower by 32 points in Colorado, 7 points in Kansas, 13 points in Oklahoma and 3 points in Texas.

The net effect of the USDA reports and other factors is that prices will be volatile in the months ahead. Many good selling opportunities should be offered by the market.

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